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YOUR VIEW: FRED CARSTENSEN

Connecticut: Last In Job Growth – And No Plans To Change

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Connecticut has long had the worst job performance in the nation. From 1990 to 2009, Connecticut created no net new jobs.

In July, Connecticut nonfarm employment was 99 percent of the employment level of January 1990. Every other state except Michigan added more jobs, typically far more jobs, than they had in 1990. Now Michigan, with its catastrophic economic collapse, may seize the title of worst jobs performance over the past 20 years — but not yet. Connecticut still holds a slim lead, by one one-hundredth of a percentage point.

Connecticut citizens (and politicians) may be relieved to have a state budget in place. But the chronic weakness in the state's economy threatens to throw the budget ball back to the General Assembly, perhaps in its February session. And the state will almost certainly face more large deficits when confronting the biennial budget that begins July 1, 2012.

The most disturbing aspect of the budget battle was that no one — not Gov. M. Jodi Rell, not the majority Democrats in the General Assembly, not the minority legislative Republicans — gave attention to the long-term health and vitality of the state's economy.

It's the economy that generates the tax revenue to sustain public services and strategic investments. The long-term trends — not just the nation's worst job growth record — ought to be central to all discussions about the state's revenue system and expenditure pattern. Any plan to deal with business creation, the dramatic growth in income inequality, the falling real incomes of many Connecticut households, the loss of high-skill, high-wage jobs in favor of low-skill, low-wage jobs, and the massive departure of top academic performers was absent.

Connecticut has four arenas with fundamentally strong assets and potential for growth that would generate desirable jobs: financial services, life sciences, precision manufacturing and video production. Only video production has gotten serious attention through tax credits — and that is threatened with severe caps or termination.

The state has created no program to capitalize on the stunning potential of the national stem cell initiative, even as Massachusetts launched a billion-dollar initiative in life sciences. Nor has the state recognized the potential to build on the creativity and initiative of Yale University in capturing a National Institutes of Health oncology research center and its acquisition of the Bayer research campus.



Gov. M. Jodi Rell declared "the enormous promise" of the proposed merger of Hartford Hospital and University of Connecticut Health Center, in part because it "would grow much-needed jobs for our economy." But she has not pressed the initiative, which is self-financing and can lift the university's medical and dental schools into the national elite while generating upward of 20,000 high-salary jobs.

There is nothing to suggest the state is searching for ways to strengthen the crucial financial services activities in the Fairfield or Hartford regions.

More broadly, Connecticut was first in the nation with sophisticated research that tracked all its students through the educational-workforce pipeline — and then failed to continue the study. This crippled the state's capacity to identify successful educational strategies and to illuminate the links to job opportunities and industrial needs. Connecticut has a comparatively weak community college system, which is essential for delivering specific skills for business. These schools get funding that is a fraction of what major competitors, such as North Carolina, provide.

Despite the work of the Transportation Strategy Board, it is hard to find evidence that Connecticut is willing to address its transportation infrastructure challenges.

In short, whether in specific business sectors or in the broad public responsibilities of education and infrastructure, the state has no strategic plan to change the threatening long-term trends.

Political leaders and citizens of Connecticut should recognize that we have the assets, the intelligence and the creativity to significantly shape our economic performance. We must put the question of our economic future at the center of our policy discussions to put our state on a strong track, finally creating new, good-paying jobs.

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